

How Local Transit is Organized and Funded *and what that means in terms of regionalization*

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Michigan Department of Transportation
Bureau of Passenger Transportation
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System Snapshot

- 79 Transit Agencies
- 40 Specialized Service Agencies
- 3,410 passenger vehicles
- All 83 counties have demand response service
- 18 counties also have fixed route service
- 60 counties have countywide service with varying service levels
- Limited regional service in some areas



System Snapshot

- Served 94 M passengers in FY2007
 - Double digit ridership increases
 - Transportation to work, shopping, medical, recreation, and other
 - Over 80% of population may access local transit services
- Local transit is evolving in Michigan
 - Current system
 - Community and county level bus systems
 - Fixed route bus in all urban areas and some smaller communities served
 - Some demand response services in all 83 counties
 - Local Transit soon to include rapid bus/rail transit

Role of State Funding

The Comprehensive Transportation Fund

- Act 51 requires MDOT to use CTF to:
 - Share in local operating costs
 - Match federal grants
 - Support Specialized Services
- 79 transit authorities and 40 specialized service agencies receive CTF funding
- MDOT receives federal funds to support rural transit and specialized transit
- MDOT oversees compliance with state and federal funding requirements

Principal State and Federal Funding Programs

■ Section 5307 – Urban Formula Funds

- \$78.4 million in FY2008
- Largest federal formula program
- Apportioned each urbanized area (UZA)
 - UZA has a population over 50,000
 - 16 UZAs in Michigan
- FTA requires designation of a recipient
 - MPO and transit agencies determine recipient and Governor concurs
 - Act 204 – designates the RTCC

■ State Operating Assistance

- \$166.6 million in FY2008
- Up to 50% of eligible expenses to agencies with service area population over 100,000
- Up to 60% of eligible expenses to agencies with service area population under 100,000

How Transit is Organized

Authorization Legislation

Authorization Legislation

Public Act 7 of 1967 Urban Cooperation Act

- Authorizes two or more local government to enter into an interlocal agreement
 - Permits tax and revenue sharing
1. *Blue Water Area Transportation Commission (Port Huron)*
 2. *Cadillac/Wexford Transit Authority*
 3. *Detroit Transportation Corporation (People Mover)*
 4. *Eastern Upper Peninsula Transportation Authority (Chippewa County)*
 5. *Eaton County Transportation Authority*
 6. *Isabella County Transportation Commission*
 7. *Marquette County Transit Authority*
 8. *Shiawassee Area Transportation Agency*

Public Act 55 of 1963 Mass Transportation Authorities Act

- The legislative body of a city with a population of 300,000 or less may incorporate a public authority
 - For the purpose of acquiring, owning, operating, or causing to be operated, a mass transportation system.
1. *Ann Arbor Transportation Authority*
 2. *Capital Area Transportation Authority (Lansing)*
 3. *Mass Transportation Authority (Flint)*
 4. *Twin Cities Area Transportation Authority (Benton Harbor)*

Authorization Legislation

Public Act 94 of 1933 - Revenue Bond Act

Authorizes public corporations to make public improvements, including transportation systems

Many county transportation systems are based on this act.

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|----------------------|------------------------|
| 1. Allegan County | 12. Livingston County |
| 2. Antrim County | 13. Manistee County |
| 3. Barry County | 14. Midland County |
| 4. Berrien County | 15. Muskegon County |
| 5. Charlevoix County | 16. Ogemaw County |
| 6. Cheboygan County | 17. Ontonagon County |
| 7. Clare County | 18. Otsego County |
| 8. Gladwin County | 19. Sanilac County |
| 9. Huron County | 20. Schoolcraft County |
| 10. Iosco County | 21. Van Buren County |
| 11. Lenawee County | |

Authorization Legislation

Public Act 196 of 1986 - Public Transportation Authority Act

Authorizes two or more political subdivisions (counties, cities, villages, townships) to form a public authority

Can levy a tax on property and bond

May finance, acquire, improve, own, construct, operate, maintain and contract for public transportation service

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|---|---|
| 1. Altran Transit Authority (Alger County) | 13. Interurban Transit Authority (Saugatuck) |
| 2. Bay Area Transportation Authority (Grand Traverse and Leelanau counties) | 14. Jackson Transportation Authority |
| 3. Bay Metropolitan Transportation Authority (Bay County) | 15. Kalkaska Public Transit Authority |
| 4. Beaver Island Transportation Authority | 16. Ludington Mass Transportation Authority |
| 5. Branch Area Transit Authority | 17. Mecosta Osceola Transit Authority |
| 6. Caro Transit Authority | 18. The Rapid/Interurban Transit Partnership (Grand Rapids) |
| 7. Cass County Transportation Authority | 19. Roscommon County Transportation Authority |
| 8. Clinton Area Transit System | 20. Saginaw Transit Authority Regional Services |
| 9. Crawford County Transportation Authority | 21. St. Joseph County Transit Authority |
| 10. Delta Area Transit Authority | 22. Thunder Bay Transportation Authority (Alcona, Alpena, Montmorency counties) |
| 11. Gogebic County Transit | |
| 12. Greater Lapeer Transportation Authority | |

Authorization Legislation

Public Act 279 of 1909 - Home Rule City Act

Authorizes city transit systems

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|-----------------|----------------------|
| 1. Adrian | 11. Hancock |
| 2. Alma | 12. Hillsdale |
| 3. Alpena | 13. Holland |
| 4. Battle Creek | 14. Houghton |
| 5. Belding | 15. Ionia |
| 6. Buchanan | 16. Kalamazoo |
| 7. Detroit | 17. Marshall |
| 8. Dowagiac | 18. Midland |
| 9. Grand Haven | 19. Milan |
| 10. Greenville | 20. Niles |
| | 21. Sault Ste. Marie |

Authorization Legislation

Public Act 359 of 194 - Charter Township Act

- Provides authority for charter townships
 1. Yates Township

Public Act 204 of 1967 - Metropolitan Transportation Authorities Act

- Authorizes regional transportation authorities formed by two or more counties in metropolitan area.
 1. Creates SMART - Suburban Mobility Authority for Regional Transportation
 - Wayne, Oakland, Macomb, Monroe counties.
 - Act 196 authorities "under" SMART formed for the purpose of tax collection
 2. Creates Regional Transit Coordinating Council (RTCC)

MDOT Regional Program

- FY 1997 – FY 2002
- Regional Transportation is defined as a "public transportation service that facilitates regional travel across multiple eligible agencies, as defined in Act 51, crossing one or more county lines into areas outside of current service areas."
- Three year demonstration with higher level of operating support
- A dozen projects in both urban and rural areas
- Some service has continued with annual state operating assistance

MDOT Regional Program

- Applications not accepted since FY2005
 - CTF revenue declines forced focus on continuation of existing service
- Also
 - Regional service is eligible under the regular state operating program
 - Very few new applicants
 - When increased levels of state operating assistance after demo period, some services ended

Regional Authorities and Agencies

Transit authorities/agencies serving multiple counties:

- Bay Area – Grand Traverse and Leelanau
- Straits Regional Ride – Cheboygan, Emmet, Presque Isle ★
- Thunder Bay – Montmorency, Alpena, and Alcona ★
- SMART – Wayne, Oakland and Macomb
- MOTA – Mecosta and Osceola
- EUPTA – Luce and Chippewa

★ Emerged from MDOT Regional Program

Informal Coordination

- Transit agencies with informal service agreements:
 - Lake, Mason, Oceana – Yates Dial-A-Ride coordinates a volunteer driver program
 - Bay, Midland, Saginaw – there is a fixed route that connects the counties
 - Flint Mass Transportation Authority – provides transportation to work to Oakland, Lapeer and Livingston counties
 - Blue Water Area Transportation provides access from St. Clair County to SMART in Macomb County
 - Capital Area Transportation Authority, Eaton and Clinton Area Transit -- working together on a joint development plan to improve coordination
- New entities seeking funding assistance from MDOT are directed to existing providers in the county/community

Perceived Barriers to Regionalization

- Historic formation
 - Independent authorities with taxing authority versus government agencies
- Millage = service area
 - No incentive to serve areas that have not passed their own millage
- In rural areas, regional service = longer trip distances
- Demand for local service higher than for regional service
- State Law
 - Authorizing legislation does not allow for multiple millage rates for a single authority
 - Act 271 of 1990 and Act 432 of 1982 exemptions for transit only within their service area
 - Interlocal Agreements

Perceived Barriers to Regionalization

- Regionalism not a “one size” fits all issue
 - Opportunities for regional coordination and actions needed to coordinate differ from area to area
 - Difficult to mandate
- Regional service may need service increase
 - In some areas, the most significant obstacle to regional service is lack of county-wide transit
 - Service levels and frequencies may be most significant obstacle to regional transit